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11 OVERTURE SERVICES, INC.

## 12 UNITED STATES DISTRICT COURT

## 13 NORTHERN DISTRICT OF CALIFORNIA

## 14 SAN FRANCISCO DIVISION

15  
16 OVERTURE SERVICES, INC., a  
Delaware Corporation,

17 Plaintiff,

18 vs.

19 GOOGLE INC., a California Corporation,  
20 Defendant.  
21

No. C02-01991 CRB (EDL)

**OVERTURE'S FURTHER OPPOSITION  
TO GOOGLE'S MOTION FOR AN  
ORDER EXTENDING GOOGLE'S TIME  
TO SERVE INITIAL INVALIDITY  
CONTENTIONS**

1 **I. INTRODUCTION**

2 Pursuant to the Court's Order of December 2, 2002, Overture files this  
3 supplemental memorandum in opposition to Google's motion.<sup>1</sup>

4 Google's motion offers only bald assertions that Overture's Preliminary  
5 Infringement Contentions are insufficient. Google does not dispute that Overture has  
6 identified both the claims that are infringed and the specific Google system that infringes  
7 those claims. Overture also has identified specific infringing features of Google's  
8 accused system, and has directed Google to pages from its own website that describe  
9 those features. Admittedly, Overture has not identified Google computer code  
10 evidencing its infringement, but that is because Google has not yet produced its  
11 computer code. Accordingly, Overture's Preliminary Infringement Contentions satisfy  
12 Patent L.R. 3-1.

13 **II. OVERTURE'S INFRINGEMENT CONTENTIONS**

14 The patent in this case, Overture's U.S. Patent No. 6,269,361 (the "361 patent"),  
15 relates to the account management of bidded pay-per-click search systems on networks  
16 such as the Internet. In a bidded pay-per-click search system, an information provider  
17 or advertiser places a bid for the opportunity of having its search listing included in a  
18 search result list for a particular search term. When a searcher enters a search for the  
19 search term, the system produces a search result list that includes search listings from  
20 advertisers that have bid on that search term. By varying its bid amount, the advertiser  
21 is able to influence the position of its search listing within the search result list. The  
22 advertiser then pays only for those instances when a searcher "clicks" through to the  
23 advertiser's website.

24  
25  
26 <sup>1</sup> Google originally styled its motion as seeking only an extension of time under Local  
27 Rule (L.R.) 6-3. (See Overture Opp'n, Dkt. No. 28.) Recognizing that Google's motion  
28 actually sought a substantive discovery order, the Court referred the motion to  
Magistrate Judge LaPorte as a motion to compel. Judge LaPorte subsequently set the  
present briefing.

Overture introduced the first bidded pay-per-click search system on the Internet in 1998. Until earlier this year, Google did not operate a bidded pay-per-click search system. Instead, Google operated an algorithmic search engine that did not require information providers to pay for their search listings to be included in search results lists. In February 2002, however, Google introduced a bidded pay-per-click search system called AdWords Select. The AdWords Select system includes the account management features claimed in Overture's '361 patent.

All but one of the asserted claims are method claims. (See '361 patent claims, Exh. 1 to Kwun Decl., col. 22-30.) These method claims do not include mechanical structural limitations that can be applied simply to specific mechanical components in the accused system. Instead, in its Preliminary Infringement Contentions, Overture carefully identified those features of Google's AdWords Select system and the actions performed by that system that Overture believes correspond to the recited method claim limitations. (See Overture's Preliminary Infringement Contention claim chart, Exh. 4 to Kwun Decl.)

The only asserted non-method claim is claim 14. Most of the limitations recited in claim 14 relate to computer programming code. Overture explained its belief that the AdWords Select system includes programming code that meets the limitations of claim 14. Until Google produces that code, however, Overture cannot be more specific with respect to those limitations.<sup>2</sup>

Overture also identified numerous pages from Google's own website that explain the operation of Google's AdWords Select system.<sup>3</sup> (See Overture's Preliminary Infringement Contentions, Exh. 3 to Kwun Decl., p. 2.) In its Preliminary Infringement Contentions, Overture directed Google to these website pages to support its assertion

<sup>2</sup> The parties are involved in ongoing negotiations regarding the terms of a protective order that would govern the production of computer source code.

<sup>3</sup> Copies of these website pages are attached as Exhibit 1 to the Declaration of Charles M. McMahon (Dkt. No. 29).

that the AdWords Select system infringes the asserted claims. Read in context with the Google website pages that Overture identified, Overture's Preliminary Infringement Contentions satisfy both the letter and the spirit of Patent L.R. 3-1.

### **III. OVERTURE'S PRELIMINARY INFRINGEMENT CONTENTIONS SATISFY PATENT L.R. 3-1**

Overture's Preliminary Infringement Contentions satisfy the requirements of Patent L.R. 3-1 for at least the following reasons:

1. As described above, the '361 patent is not directed to a simple mechanical system in which independent parts may easily be identified. Rather, most of the claims are method claims that read on particular actions performed by the infringing AdWords Select system. The only system claim is directed primarily to programming code, and Google has not yet produced its code. Accordingly, Overture's Preliminary Infringement Contentions adequately identify the asserted claims, the infringing system, and the features of that system that infringe the claims.

2. In many instances, Overture's Preliminary Infringement Contentions are more specific than Google implies. For instance, Overture identified at least the following specific infringing features of Google's AdWords Select system: (a) multiple search term matching options (*i.e.*, broad matches, negative matches, and exact matches) (claims 1, 11, and 16); (b) subaccounts in the form of ad groups (claim 5); (c) rank values, as shown in an advertiser's hyperlink (claim 8); (d) the Google TrafficEstimator tool, which estimates the cost of a search listing (claims 11, 12, 43, 44, 59, and 60); (e) the ability to bill advertisers' credit cards in real time if they reach a set account limit (claims 14, 39, and 55); and (f) Google's assurance on its website that new ads go live "instantly once you create them" (claims 14 and 53). This list is not exhaustive, but merely illustrates the specificity of Overture's infringement contentions.

In addition to the claim chart, Overture also directed Google to particular pages from

1 Google's own website that describe in detail the infringing features identified in the claim  
 2 chart. In this way, Overture provided Google with more detail than Patent L.R. 3-1  
 3 requires.

4  
 5 3. In some instances, Overture was not able to provide the same level of  
 6 detail. This is because Overture's patent relates to the account management features  
 7 of pay-per-click systems. Google acknowledges that AdWords Select is a pay-per-click  
 8 system. However, many of the details ultimately necessary to establish additional  
 9 elements of infringement, both of the method claims and the system claim, lie in the  
 10 AdWords Select computer code, which Google has not yet produced.

11  
 12 4. Overture has made every effort to provide information to satisfy Google's  
 13 concerns. (See McMahon Decl., ¶¶ 4, 7; Kwun Decl., Exh. 6.) In fact, Overture  
 14 provided Google with additional information regarding the only two claim chart entries  
 15 that Google has specifically identified as allegedly deficient. (See McMahon Decl., ¶¶ 5-  
 16 6; Kwun Decl., Exh. 8.) Since then, Google has declined Overture's invitation to identify  
 17 any other specific entries alleged to be deficient. (See McMahon Decl., ¶ 7.)

18  
 19 Where Patent L.R. 3-1 calls for infringement contentions that are "preliminary,"  
 20 Google attempts to prematurely and improperly substitute the word "detailed." Google's  
 21 motion appears to be an attempt to prematurely compel a claim interpretation from  
 22 Overture, with specific reference to a particular embodiment of the accused AdWords  
 23 Select system. This is contrary to the schedule set forth in the Patent Local Rules,  
 24 which contemplates that "preliminary" infringement contentions are the beginning, and  
 25 not the end, of plaintiff's infringement proofs. Overture satisfied its burden of providing  
 26 preliminary infringement contentions. As a result, Google now knows (a) which  
 27 Overture patent claims are allegedly infringed, (b) which Google product is alleged to  
 28 infringe those claims, and (c) which specific features of the accused product correspond



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SAN FRANCISCO DIVISION

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Delaware Corporation,

Plaintiff,

vs.

GOOGLE INC., a California Corporation,  
Defendant.

No. C02-01991 CRB (EDL)

**[PROPOSED] ORDER**

Before the Court is defendant Google Inc.'s ("Google's") motion, pursuant to Civil L.R. 6-1 and 6-3, and paragraph 4 of the Court's Standing Order, for an order extending its time to serve its Preliminary Invalidity Contentions and compelling Overture to serve revised Preliminary Infringement Contentions. Having considered all of the papers filed in support of and opposition to the motions, the Court DENIES Google's motion.

1 The parties are ORDERED to meet and confer about the case management  
2 schedule, and to file with the Court within ten court days of the date of this Order a joint  
3 case management statement addressing any scheduling modifications that may be  
4 necessary in light of this Order.

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6 Dated:

7 HON. ELIZABETH D. LAPORTE  
8 United States Magistrate Judge  
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